

Statement of

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before the

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Subcommittee on National Security, Emerging Threats and International Relations

concerning

Homeland Security: Surveillance and Monitoring of Explosive Storage Facilities

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Mr. Chairman and Members of the Subcommittee:

I am Christopher Ronay, President of the Institute of Makers of Explosives commonly referred to as the IME.

The IME represents the U.S. manufacturers of industrial high explosives and other companies that distribute explosives or provide related services. Over 2.5 million metric tons of industrial explosives are consumed annually in the United States. Of this, IME member companies produce over 98 percent of the high explosives and the great majority of the blasting agents and oxidizers. These products are used in every state of the Union and are distributed worldwide. The value of this essential commodity is estimated in excess of \$1 billion annually. The ability to manufacture, transport and distribute these products safely and securely is critical to this industry.

Industrial explosives are essential to mining, quarrying, construction, demolition, petroleum production and natural resource exploration. They are the backbone of our industrial society. Metals, minerals, petroleum, electricity, construction activities and materials, and consumer products are available today because commercial explosives make them possible.

The IME is the safety and security institute serving the commercial explosives industry and the government for over 90 years. Our mission is to promote safety and the protection of employees, users, the public and the environment during the manufacture, transportation, storage, handling and use of explosive materials. The IME is not a trade association and is prohibited by its bylaws from engaging in any activity that is marketing or sales related.

The explosives industry embraces the comprehensive regulatory environment in which we work and the oversight of the many agencies that promulgate the rules by which we are governed. We

are very proud of the contribution that the IME has made over the last 90 years in the development of such regulations.

IME Initiatives

I would like to briefly update you on some important IME initiatives since we last met in August 2004.

The IME has produced a brochure that highlights the essential contribution commercial explosives make to our society. Metals, minerals, petroleum, coal for electricity, construction materials, site preparation, and consumer products are economically feasible today through the use of commercial explosives.

In keeping with our reputation as a standard-setting organization, the IME has developed and published the 38 page Safety Library Publication No. 27 (SLP 27), ***Security in Manufacturing, Transportation, Storage and Use of Commercial Explosives***. This document includes general security fundamentals that, as a minimum, should be adopted in all explosives operations. These fundamentals range from limiting public disclosure of sensitive operational information to the development of security plans and vulnerability assessments for each area of operation.

This comprehensive document goes on to specify in detail operational recommendations for each facet of explosives manufacture, transportation, storage and use that generally go beyond what is required in regulation.

For example, at manufacturing sites, it offers specific guidance for fences, gates and entry control, inventory and record keeping, intraplant transport and methods of waste material disposal.

Relative to transportation, the guidance specifies security procedures for common carriers, security plans and training, highway security, communications and route tracking.

The storage of explosives is covered by guidance on perimeter control, magazine security, electronic surveillance, key and lock specifications, inventory control and reporting lefts and losses.

The use of explosives section covers blast site security, blasting permits, shot reports and inventory reconciliation.

The IME is also working cooperatively with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) to develop a booklet entitled, "Safety and Security Information for Federal Explosives Licensees and Permittees." This document will contain useful information for the community on regulatory requirements and recommendations for securing explosives against theft and loss.

Likewise, the IME is always seeking ways to contribute to the safety and security of commercial explosives and their handling. We are pleased to have produced with ATF the video training

program titled: *The Safe Storage of Explosives*, which is available to public and private sector entities to ensure compliance with Federal Explosives Law (FEL).

The GAO Report

I have been invited today to comment on the Government Accountability Office (GAO) report regarding thefts of explosives from state and local government storage facilities, and the IME security recommendations contained in SLP 27. It is my pleasure to be asked to participate in this committee's examination of the adequacy of state and local guidelines for the protection of these facilities.

The current federal regulatory regime works very well for the private sector and ensures compliance with the regulations and the timely reporting of thefts and losses. The IME endorses the ATF inspection process and shares the objective of safe and secure storage of explosives in compliance with the regulations.

In response to one of the committee's questions, the IME has no way of knowing the current adequacy of state and local regulations governing the storage of explosives by public entities.

The GAO report recommends that ATF clarify to all entities storing explosives their responsibility to report all thefts and losses to ATF. Such reporting is presently required by law of all non-exempted explosives facilities. This includes the public sector, over which ATF does not have licensing or inspection authority.

It should be noted that state and local storage facilities are presently required to comply with the remainder of the FEL as well. This requirement is not in any way mitigated because ATF does not have the authority to issue licenses to or conduct inspections of these facilities.

Similarly, IME publication SLP 27 does not distinguish between public and private entities. The recommendations contained therein apply to all those who are engaged in the manufacture, transportation, storage and use of explosive materials.

In essence, the explosives industry, long aware that their products are attractive to criminals, has always operated at the "yellow" or "elevated" DHS threat level. IME has recommended that explosives be stored in theft resistant magazines under lock and key since its inception in 1913. Since 1970 it has been a federal crime to fail to report a theft or loss of explosives. This applies to all entities, private and public. Therefore, the majority of SLP 27 applies to everyday operations when the DHS threat level is at or below "yellow" or "elevated" and is applicable to all entities that store explosives, private and public.

It is through such vehicles as SLP 27 and the *Safe Storage of Explosives* training program that we hope to enhance security in both the private and public components of the explosives community.

One possible enhancement to the current federal requirements that might be considered would be to require the registration of public storage facilities with the ATF. With such registration the

ATF, which has been designated the national repository for all explosives data, would have an accurate inventory of private and public explosives storage facilities throughout the country.

However, we would like to emphasize that any additional mandate given to the agency should not infringe on its ability to maintain appropriate oversight of the many more and much larger commercial explosives facilities. As mentioned in my introduction, the commercial industry consumes over 2.5 million metric tons of explosives annually and embraces the comprehensive regulatory oversight by the federal government.

The public sector requires explosives for civic works, research, public safety and emergency preparedness purposes. They also store dangerous evidence in explosives cases subject to investigative and prosecutive requirements. The relatively small amounts of explosives maintained in such public storage facilities rank low on the risk assessment scale in comparison to the those used in the private sector.

The ATF presently has barely adequate resources to oversee all of the private sector licensees. Additional funding is necessary now to ensure a comprehensive inspection program and increase security because of the vast number of private sector facilities. We believe this should have a higher priority than extending the agency's inspection authority over public sector entities.

Conclusion

The IME believes that any mechanism that prevents explosive materials from falling into the wrong hands promotes security. In a perfect world, with unlimited resources, it would undoubtedly be best if all explosives storage facilities came under federal inspection authority. However, with limited resources available, realistic priorities must prevail, which I believe is one of the unstated conclusions of the GAO report.

Finally, let me emphasize IME's commitment to the safety and security of commercial explosives operations. This objective is what we do and have done for over 90 years. We do not take that responsibility lightly, and strive to participate in the partnership between government and industry with the mission to develop the most comprehensive reasonable federal explosives law.

I want to thank this Subcommittee for the opportunity to provide further comment on the issues raised by today's hearing. The Subcommittee should be commended for its attention to the sensitive and important issues surrounding the storage of explosive materials.

This concludes my testimony. I would be pleased to answer any questions.